



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/R/TRF-100/MFPA

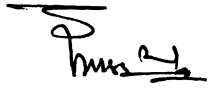
June 30, 2010

1. Chief Executive Officer, FESCO.
2. Chief Executive Officer, GEPCO.
3. Chief Executive Officer, HESCO.
4. Chief Executive Officer, IESCO.
5. Chief Executive Officer, LESCO.
6. Chief Executive Officer, MEPCO.
7. Chief Executive Officer, PESCO.
8. Chief Executive Officer, QESCO.

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the Month of May 2010 for XWDISCOs and Notification of the Decision (S.R.O. 590(I)/2010 dated 30.06.2010)**

Enclosed please find a copy of decision of the Authority in respect of fuel price adjustment for the month of May 2010 in respect of Ex-WAPDA Distribution Companies, along with its Notification (S.R.O.590(I)/2010 dated 30.06.2010). This is for information and further necessary action accordingly.

Enclosure: As above.


(Syed Safer Hussain)

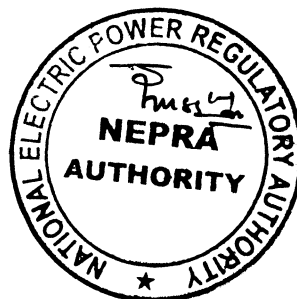
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Water & Power, 'A' Block, Pak Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Managing Director, PEPCO, WAPDA House, Lahore.
5. Member (Power), WAPDA, WAPDA House, Lahore.
6. Chief Executive Officer, NTDC, 414 WAPDA House, Lahore.
7. Chief Operating Officer, CPPA, WAPDA House, Lahore.
8. General Manager, WAPDA Power Privatization Organization (WPPO) of NTDC, Lahore
9. All Pakistan Textile Mills Association (APTMA) through Rashid Law Associates Attorneys & Corporate Consultants, 5th Floor, Ajmal House, 27-Egerton Road, Lahore.



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL ADJUSTMENT CHARGES
FOR THE MONTH OF MAY 2010 FOR XWDISCOs**

1. Pursuant to the amendment made in Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, NEPRA is required to review the fuel charges on monthly basis in the approved tariff on account of any variation whatsoever.
2. In order to carry out the above-said adjustments pertaining to the tariff of XWDISCOs for the month of May, 2010, necessary information as to the details of payments on account of fuel charges was obtained from the Central Power Purchasing Agency (CPPA).
3. Notwithstanding the fact that the monthly adjustments on account of fuel charges variations are accounted for in accordance with the mechanism/formula prescribed by the Authority and notified in the official gazette by the Federal Government; yet the impact of such adjustments, if any, is passed on to the consumers of electricity, therefore, in order to meet with the ends of natural justice, the Authority decided to provide an opportunity of hearing to all concerned while reviewing the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 29th of June, 2010 in the NEPRA main office; notice thereof was published in two leading national newspapers on 24th June 2010 inviting comments/objections from the concerned persons.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO), National Planning & Control Cell (NPCC) and Ministry of Water & Power (GoP) were present, however, no representative from Ministry of Finance attended the public hearing despite the service of notice. Further no objections/comments were filed by any consumer of electricity.
6. The information provided by CPPA has been examined and it is observed that for the month of May 2010 the pool fuel charges were increased by Rs. 1.08/kWh (Annex-I&II). The main attributors to the increase in fuel charges component are increase in furnace oil prices, increase in generation on furnace oil, supplemental charges under PPA and increased transmission losses.

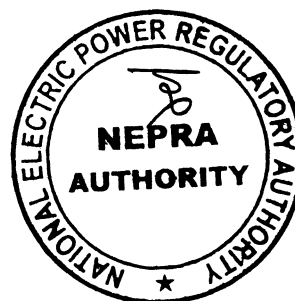


7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 978.426 million on account of markup on delayed payment to IPPs. The Authority in its earlier decisions disallowed this cost and in its opinion the consumers who pay their bills in time cannot be burdened with the markup on delayed payment to IPPs. Accordingly, the Authority in line with its previous decisions has decided to disallow in total the markup cost of Rs. 978.426 million to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.12/kWh is disallowed.
8. The Authority further noted that during May 2010 NTDC claimed 3.2% transmission losses against the determined losses of 2.5% as per the Authority's determination dated 6th January 2006 (Case No. NEPRA/TRF-45/NTDC-2005). The Authority considers that the claimed transmission losses by NTDC are not consistent with the Authority's determination hence cannot be passed on to the consumers as such. The Authority has, therefore, decided to restrict the NTDC losses to 2.5% in accordance with its determination; accordingly the impact of Rs. 0.05/kWh on this account is also disallowed to be passed on to the consumers.
9. The Authority has, therefore, reviewed and assessed Rs. 0.91/kWh towards fuel charges adjustment for the month of May 2010 as per the following:

Actual Fuel Charges Component for May 2010	Rs. 5.56/kWh
Corresponding Reference Fuel Charges Component (Determined) for the month of May 2010	Rs. 4.65/kWh
Fuel Charges Variation for the month of May 2010	Rs. 0.91/kWh

10. The reviewed fuel adjustment charges of Rs.0.91/kWh for the month of May 2010 is higher by Rs. 0.14/kWh than the adjustment of Rs. 0.77/kWh for the month of April 2010; therefore, effectively there will be an increase of Rs. 0.14/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of April 2010.
11. In the light of the observations made in paragraphs 7 and 8 above, the Authority directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
12. The above adjustment as referred to in Para 9 above ;

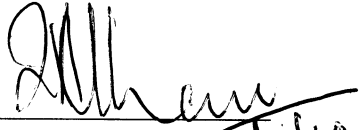
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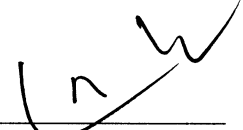


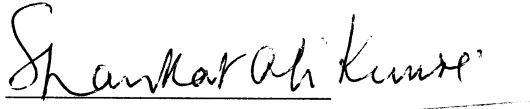



- i) shall be applicable to all the consumer categories except lifeline consumers of all the DISCOs;
- ii) shall be shown separately in the consumers' bill on the basis of units billed to the consumer in the month of May 2010.

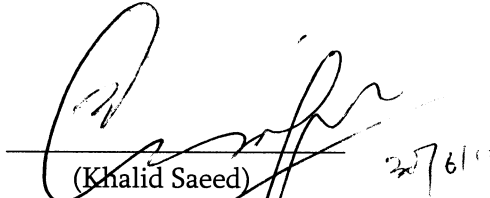
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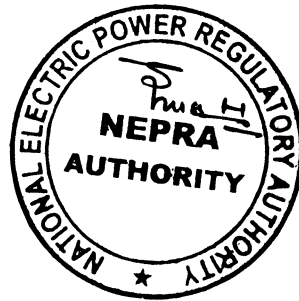

(Zafar Ali Khan)
Member
30/6/10


(Maqbool Ahmad Khawaja)
Member


(Shaukat Ali Kundi)
Member
30.06.10


(Ghiasuddin Ahmed)
Member/Vice Chairman
30/6


(Khalid Saeed)
Chairman
27/6/10

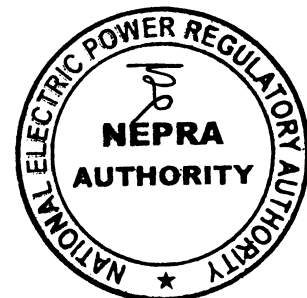


Energy Procurement Report (Provisional)

May, 2010

Annex-I

S.No.	Power Producer	Fuel	Energy KWh	Total Energy Cost (Rs.)		
1	Hydel					
	i. WAPDA	Hydel	2,615,560,231	807,423,443		
	ii. Jagran	Hydel	19,571,910	39,104,676		
	iii. Malakund-III SHYDO	Hydel	53,558,400	190,867,075		
	Hydel Total:		2,688,690,541	1,037,395,194		
2	Ex-WAPDA GENCOs					
	i. GENCO-I					
	Jamshoro Block 1	RFO	110,055,000	1,284,344,104.0		
	Jamshoro Block 2	RFO	78,959,057	1,054,082,880		
	Unit 2-4	Gas	159,165,943	784,497,101		
	Kotry 3-7	Gas	60,386,450	249,424,858		
	Kotry 1-2	Gas	3,467,250	28,736,915		
	Prev. Adjustment		-	6,251,330		
		Jamshoro Total		412,033,700	3,407,337,188	
	ii. GENCO-II					
	Guddu CC 11-13	Gas	74,112,575	246,780,052		
	Central Block 2	Gas	72,628,718	241,839,106		
	Guddu CC 5-10	Gas	136,199,172	502,847,343		
	Central Block 3	RFO	7,746,469	99,055,627		
	Guddu Steam 3-4	Gas	167,913,906	741,608,557		
	Guddu Steam 1-2	Gas	60,275,160	284,920,682		
	Prev. Adjustment		-	554,654		
		Central Total		518,876,000	2,117,606,020	
	iii. GENCO-III					
	Northern Block 1	RFO	247,613,691	2,994,845,490		
	MG Unit 1-3	Gas	21,497	91,858		
	Northern Block 2	RFO	136,807,926	1,643,795,460		
	Northern Block 3	RFO	45,700,328	628,139,746		
	MG Unit 5-6	Gas	105,547	507,956		
	Northern Block 4	F.O.	-	0		
	GTPS FSD 5-9	GAS	48,469,798	165,238,388		
		HSD	15,155,687	246,121,240		
	Northern Block 5	RFO	43,783,000	704,082,944		
	SPS FSD 1-2	GAS	-	0		
	Northern Block 6	RFO	-	0		
	GTPS FSD 1-4	GAS	2,254,515	13,698,208		
		HSD	-	0		
	Northern Block 7	RFO	20,460,400	321,179,288		
	NGPS Multan 1-4	GAS	-	0		
	Northern Block 8	F.O.	-	0		
	Shahdra	Gas	-	0		
	Gulf Rental	RFO	29,437,985	330,315,821		
	Rental Summandari	Gas	3,444,000	37,576,451		
	Rental Bhiki	Gas	42,040,000	186,872,004		
	Adjustment		-	-		
		Northern Total:		635,294,374	7,272,464,855	
	iv. GENCO-IV					
	Lakhra Power	Coal	8,193,000	22,100,617		
		GENCOs Total:-		1,574,397,074	12,819,508,680	
	3	IPPs				
		1	Kot Addu Block 1	RFO	225,584,500	2,072,318,703
				Gas	913,800	2,584,062
			HSD	36,200	486,329	
Kot Addu Block 2		RFO	433,409,100	4,885,221,527		
		Gas	37,382,700	116,473,915		
		HSD	-	0		
Kot Addu Block 3		Gas	144,463,700	494,307,598		
		HSD	2,400,000	37,674,796		
		KAPCO Total		844,190,000	7,609,066,930	



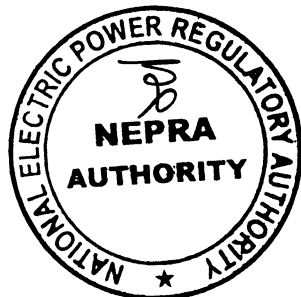
Energy Procurement Report (Provisional)

May, 2010

S.No.	Power Producer	Fuel	Energy KWh	Total Energy Cost (Rs.)
2	Hub Power	RFO	780,364,100	8,672,282,542
3	Kohinoor Energy	RFO	71,349,000	731,686,887
4	AES Lalpir	RFO	207,885,000	2,288,744,324
5	AES Pakgen	RFO	196,255,899	2,178,656,612
6	Fauji Kabirwala	Gas	98,224,000	352,046,008
7	Japan Power	RFO	35,227,175	366,717,457
8	Uch	Gas	260,780,000	709,972,731
9	Rousch	Gas	281,870,832	872,032,606
10	Southern Power	RFO	58,305,730	611,433,396
11	Saba Power	RFO	43,476,234	471,473,990
12	Habibullah	Gas	79,525,277	244,512,855
13	Altern	Gas	20,224,400	72,150,250
14	Liberty	Gas	131,529,000	919,027,959
15	Chashma Nuclear	Nucl.	0	(13,632,630)
16	Tavanir Iran	Import	23,114,840	97,313,476
Sub-Total:			3,132,321,487	26,183,485,393
1	Attock-Gen	RFO	109,240,256	1,092,979,535
2	Atlas-Honda	RFO	144,816,000	1,390,191,773
3	Nishat Power	RFO	105,095,336	929,762,861
4	Foundation Power	Gas	1,000	(133,656)
5	Orient	Gas	117,070,042	292,444,415
6	Nishat Chunian	RFO	47,536,134	455,690,888
7	Saif Power	Gas	117,590,947	458,493,100
8	Engro Energy	Gas	135,434,000	324,727,751
9	Saphire Power	Gas	2,528,400	10,185,623
Sub-Total:			779,312,115	4,954,342,290
IPPs Total:-			3,911,633,602	31,137,827,683
4	Others			
i.	TPS-Quetta	Gas	16,150,000	102,298,957
ii.	TPS-Shahdara	Gas	(67,540)	(405,674)
iii.	SPPs	Mixed	67,509,675	708,851,588
Others Total			83,592,135	810,744,871
G-Total:			8,258,313,352	45,805,476,428
Summary				
	Hydel		2,688,690,541	1,037,395,194
	Coal		8,193,000	22,100,617
	HSD		17,591,887	284,282,365
	F.O.		3,179,108,320	35,207,001,855
	Gas		2,274,105,089	8,455,357,978
	Nuclear		-	(13,632,630)
	Import from Iran		23,114,840	97,313,476
	Mixed		67,509,675	708,851,588
	Prev. Adjustment		-	6,805,984
Grand Total			8,258,313,352	45,805,476,428

Energy Sale Price

Energy Cost (Rs.)	45,805,476,428
EPP charged to IPPs	55,069,818
EPP (Chargable) (Rs.)	45,750,406,610
Energy Sold (KWh)	7,988,733,173
Avg. Rate (Rs./KWh)	5.727



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Source Wise Generation

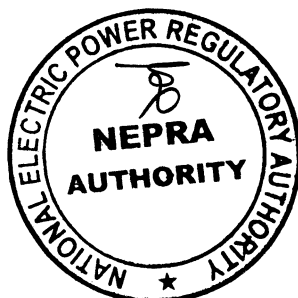
Sources	Reference		Actual	
	May 2010			
	GWh	%	GWh	%
Hydel	2,555	29.5%	2,689	32.6%
Coal	8	0.1%	8	0.1%
HSD	159	1.8%	18	0.2%
RFO	2,801	32.3%	3,179	38.5%
Gas	2,890	33.3%	2,274	27.5%
Nuclear	196	2.3%	-	0.0%
Import Iran	21	0.2%	23	0.3%
Mixed	44	0.5%	68	0.8%
Prev Adjust	-	0.0%	-	0.0%
Total	8,675	100.0%	8,258	100.0%
Sale to IPPs	-	0.0%	(3)	0.0%
Transmission Losses	(217)	-2.5%	(267)	-3.2%
Net Delivered	8,458	97.5%	7,989	96.7%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	May 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	947	0.37	1,037	0.39
Coal	16	2.04	22	2.70
HSD	1,699	10.69	284	16.16
RFO	26,810	9.57	34,305	10.79
Gas	9,416	3.26	8,299	3.65
Nuclear	100	0.51	-	-
Import Iran	87	4.05	97	4.21
Mixed	277	6.31	709	10.50
Prev Adjust	-	-	1	0.00
Total	39,352	4.54	44,754	5.42
Supplemental Charges	-	-	1,051	0.13
Sale to IPPs	-	-	(55)	(20.96)
Grand Total	39,352	4.54	45,750	5.54
Transmission Losses	-	0.12	-	0.19
Net Total	39,352	4.65	45,750	5.73

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National Electric Power Regulatory Authority



NOTIFICATION


Islamabad, the June 30, 2010

S.R.O. 590(I)/2010: – In pursuance of the Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 and subsequent amendment made in that sub-section through an Ordinance No. XIV of 2010 promulgated by the President on the 18th April, 2010, the National Electric Power Regulatory Authority has determined the following adjustment in fuel cost component on account of fuel price variation for the month of May 2010 for Ex-WAPDA Distribution Companies:

Actual Fuel Charges Component for May 2010	Rs. 5.56/kWh
Corresponding Reference Fuel Charges Component (Determined) for the month of May 2010	Rs. 4.65/kWh
Fuel Charges Variation for the month of May 2010	Rs. 0.91/kWh

Note: The reviewed fuel adjustment charges of Rs.0.91/kWh for the month of May 2010 is higher by Rs.0.14/kWh than the adjustment of Rs.0.77/kWh for the month of April 2010; therefore, effectively there will be an increase of Rs.0.14/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of April 2010.

The above adjustment of Rs.0.91/kWh shall be applicable to all the consumer categories except lifeline consumers of all the Ex-WAPDA Distribution Companies. Ex-WAPDA Distribution Companies shall show the fuel price adjustment as determined by the Authority for the month of May 2010 separately in the consumers' bill on the basis of units billed to the consumer in the month of May 2010.


(Syed Safer Hussain)
Registrar